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December 31, 1998

Janice Fort
Surface Transportation Board
Recordation Office
1925 K Street
Suite 70
Washington D.C. 20423

RECORDATION NO. 21548-A FILED
JAN 4 '99 10-53 AM

Dear Janice,

Enclosed is an original plus 1 copy, both notarized. This is a Memorandum of Railcar Lease between The Cit Group/Equipment Financing Inc. and Houston Lighting and Power Company dated 12/9/98. This filing relates to File #21548 dated 8/6/98.

Also, enclosed is a check made payable to: Surface Transportation Board.

After recording the document, please return the acknowledgment copy to my attention. I have enclosed a FED X air bill to return the results to me.

If you have any questions regarding the filing, please feel free to call me at 800-634-9738 ext. 20254.

Thank you for your prompt assistance.

Sincerely,

Rebecca Heisler
Administrator

enclosure

RECORDATION NO. 21548-A FILED

JAN 4 '99

10-58 AM

MEMORANDUM OF RAILCAR LEASE

THIS MEMORANDUM OF RAILCAR LEASE dated as of this 9th day of December, 1998, is made by The CIT Group/Equipment Financing, Inc., a New York corporation, with an address at 1211 Avenue of the Americas, New York, New York 10036 (the "Lessor") and Houston Lighting & Power Company, a division of Houston Industries Incorporated, a Texas corporation, with an address at P.O. 1700, Houston, TX 77251 (the "Lessee" and together with the Lessor, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Lessor and the Lessee entered into that certain Master Railcar Lease (the "Lease") dated as of July 2, 1998 covering the equipment listed on Schedule A hereto (the "Equipment"); pursuant to a Memorandum of Railcar Lease filed with the Surface Transportation Board on 08/06/98 as No. 21548.

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Lease, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Equipment to the Lessee in accordance with the terms and conditions of the Lease, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

IN WITNESS WHEREOF, the undersigned has caused this Document to be executed by a duly authorized officer or employee as of the day and year first above written.

THE CIT GROUP/EQUIPMENT FINANCING, INC.,

By: 

Name: LAWRENCE E. LITTLEFIELD

Title: VICE PRESIDENT

HOUSTON LIGHTING & POWER COMPANY,
a division of Houston Industries Incorporated

By: 

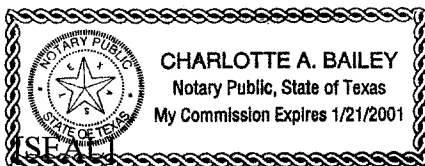
Name: Allan J. Harper

Title: Director, Coal & Lignite Fuels

STATE OF)
) SS:
COUNTY OF)

On this 3rd day of December, 1998 before me personally appears Allan J. Harper, to me personally known, who by me duly sworn, says that he/she is the Director, Coal & Lignite Fuels of HOUSTON LIGHTING & POWER COMPANY a division of Houston Industries Incorporated (the "Company"), that the foregoing instrument was signed on behalf of the said Company, and that it is acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



Charlotte A. Bailey
Notary Public

My Commission expires: 1-21-98

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

On this 9th day of December, 1998 before me personally appears Laurence Littlefield, to me personally known, who by me duly sworn, says that he/she is the Vice-President of THE CIT GROUP/EQUIPMENT FINANCING, INC. (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Barbara Garner
Notary Public

[SEAL]

My Commission expires

BARBARA GARNER
Notary Public, State of New York
No. 01GA5065133
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires Sept. 3, 1999
2000

Schedule A

<u>Quantity</u>	<u>Equipment Description</u>	<u>Reporting Marks and Numbers</u>
135	4480 c.f. Bethgon Coalporter Railcars	CEFX 40595 - 40729